Hawaii Employer-Union Health Benefits Trust Fund

Final Version

Benefits Administration System Project
Assessment Report 8
for the Period: September 1 – November 30, 2009

Submitted: January 19, 2010
Engagement: 222361641
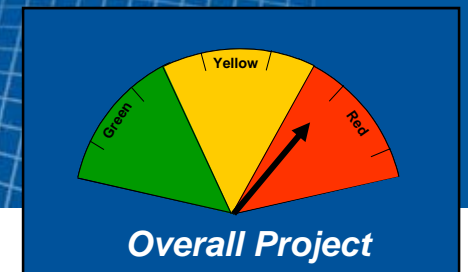
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Note: The use of **bold text** throughout this report designates changes/updates since the last Project Assessment Report (Oct 23, 2009).

■ ■ ■ ■ **Executive Summary**

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Summary of Key Assessment Changes
- Since the Last Project Assessment Report

Overall Project

- **6 Red** – High Risk areas
- **2 Yellow** – Medium Risk area
- **21 Green** – Low Risk areas

Overall the project risk is **Red** – **High Risk.**

- The BAS Project went live on September 28, 2009:
  - **The EUTF is realizing Phase 1 project benefits.**
  - **However, there are unresolved issues that have prevented Phase 1 Final Acceptance. Issues are being documented post go-live that could have been found in User Acceptance Testing had the EUTF been able to dedicate resources.**
  - Phase 2 and 3 project benefits **continue to be** at risk due to external influence on the BAS Project and EUTF staff.

- **The Vitech Supplemental Contract was approved by the Governor and executed to address changes to the V3 configuration due to employer and Board decisions and to implement a Disaster Recovery option.**

- **The retirement of the EUTF Administrator and the Assistant Administrator has introduced additional risk to the BAS Project.**

- **EUTF resources are not assigned full-time due to delays in hiring back-fill staff and expectations to perform day-to-day business activities.**
  - **A back-fill IT position was approved by the Governor and filled on January 4.**
  - The impact of external influences **continues to** redirect staff time away from the project.

Note: The use of **bold text** throughout this report designates changes/updates since the last Project Assessment Report (Oct 23, 2009).

Summary of Key Assessment Changes (cont) - Since the Last Project Assessment Report

Overall the project risk is **Red** – **High Risk.**

- **The recent scope changes and the EUTF workload will impact Phases 2 and 3 in the Vitech Contract and the associated Project Schedule. The Project Team is:**

  - **Proceeding with the design and configuration of Phases 2 and 3.**

  - **Mitigating/accepting the risk associated with the EUTF workload and loss of executive leadership. Note that the plan to proceed with Phases 2 and 3 was reliant on the full-time dedication of the Assistant Administrator who has since retired.**

  - **Delaying the rollout of employer and employee/retiree self service until it is ready.**

Note: The use of **bold text** throughout this report designates changes/updates since the last Project Assessment Report (Oct 23, 2009).

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Summary of Key Recommendation Changes
- Since the Last Project Assessment Report

Key Recommendation Changes:

- Document the justification for the recent scope and cost changes in a request for a Supplemental Contract with Vitech - ***Complete***

- **Hire a new EUTF Administrator and Assistant Administrator as soon as possible *- In Progress***

- Hire one remaining IT back-fill resource. - ***Complete***

- Dedicate full-time resources to the BAS Project as much as possible. *- In Progress*

- **Now that the IT Back-fill position has been filled, the Project Team should revisit the Project Management responsibilities. - *In Progress***

- Select the Beta Organizations in consideration of the project benefits to be realized **and the limited availability of the EUTF resources**. - *In Progress*

- **Update the Hours Tracking Tool to include the additional hours provided by the Supplemental Contract. - *New***

- **Include validation of the Requirements Traceability Matrix (RTM), Service Level Requirements (SLRs), deliverables review, and resolution of Phase 1 Final Acceptance issues in the Phase 1 Final Acceptance Criteria. – *Complete***

Note: The use of **bold text** throughout this report designates changes/updates since the last Project Assessment Report (Oct 23, 2009).

Summary of Key Recommendation Changes (cont) - Since the Last Project Assessment Report

Key Recommendation Changes:

- Work closely with BST to refine the hours estimated and monitor the hours used for the legacy data system development, data conversion, and other BAS Project support. - *Complete*

- Perform a Phase 1 Lessons Learned analysis **prior to detailed planning for Phases 2 and 3 (e.g., dedicated more resources to User Acceptance Testing, provide time for a stabilization period following go-live before making additional changes to the system). - Not Started**

- Focus on Organizational Change Management activities during Phases 2 and 3. - *Not Started*

- **Perform and analysis to determine how imaging performance can be improved. - *In Progress***

- **Perform and analysis to determine how network performance can be improved. - *In Progress***

- Perform a Security Risk Assessment to ensure compliance with new HIPAA requirements. - *Not Started*

Note: The use of **bold text** throughout this report designates changes/updates since the last Project Assessment Report (Oct 23, 2009).

Summary of Key Recommendation Changes (cont) - Since the Last Project Assessment Report

Key Recommendation Changes:

- **Post issue resolution documentation and training materials to a common area on the network drive (in preparation for the V3 Knowledge Base in Phase 3) so that they can be accessed and maintained. -** *New*

- Provide a post Go-Live frequently asked question (FAQ) list based on logged help desk issues **(and post this to a common area on the network drive (in preparation for the V3 knowledge base in Phase 3). -** *In Progress*

- **Add a new risk to the risk matrix regarding executive oversight for the BAS Project due to the retirement of the EUTF executives and the potential lack of a quorum on the Board of Trustees. -** *New*

Note: The use of **bold text** throughout this report designates changes/updates since the last Project Assessment Report (Oct 23, 2009).

General Approach to Project Oversight

Gartner is providing Project Oversight Services for the Benefits Administration System (BAS) Project:

- Includes assessment and diagnostic capabilities to provide the EUTF with independent and objective analysis oriented on the achievement of business objectives including the following activities:
  - Conduct initial and ongoing review and assessment of project deliverable expectation documents (DEDs) and deliverables
  - Monitor the detailed project schedule and activities
  - Develop Project Assessment Reports
  - Participate in ongoing project status briefings and meetings
  - Provide subject matter expertise in selected areas as needed (e.g., technical expertise and objective analysis, conduct research and analysis, monitor selected vendor contracted activities)
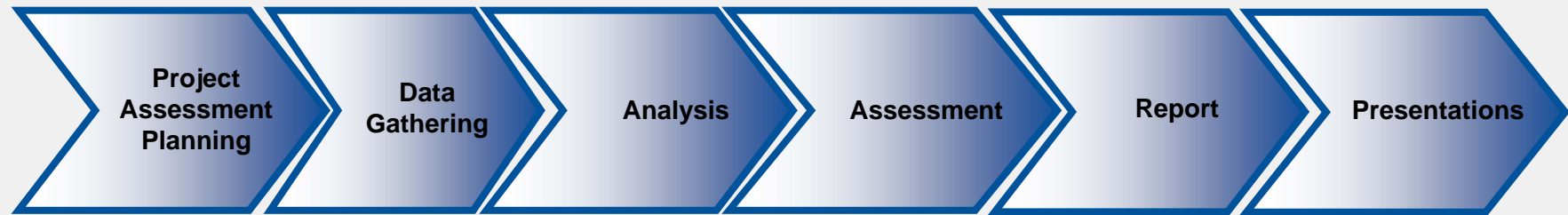
- Project Assessment Report 7 includes the period:
  September 1 – November 30, 2009*

  *Note that some activities in **December 2009 and early January 2010** have been included in this report to provide up-to-date status.*

General Approach to Project Oversight (cont)

- Gartner initially focused on overall initiating and planning efforts and is currently monitoring executing, controlling, and phase close out efforts on an ongoing basis

- Gartner is conducting Project Oversight Planning Meetings with the EUTF Project Manager to:
  - Define the upcoming high-priority activities and high-risk areas
  - Establish the foundation for the areas of focus for ongoing project oversight during the current period
  - Discuss the BAS Project's progress toward implementing recommendations and risk mitigation
  - Review the project schedule to determine discussions/meetings that we will attend and DEDs/Deliverables to be reviewed

- Gartner's final assessment period will include a Lessons Learned Report

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General Approach to Project Oversight (cont)

```
Project            Data
Assessment  →    Gathering  →   Analysis  →  Assessment  →  Report  →  Presentations
Planning
```

Components and Deliverables

Planning and Data Gathering:

- Attend meetings (e.g., Project Oversight Planning Meeting, Steering Committee Meeting, Project Team Meeting, and other selected meetings as applicable)
- Conduct interviews (e.g., periodic sessions with Project Managers and selected team members if required)
- Review project management approach and documentation

Analysis and Assessment:

- Project objectives
- Best practices
- Client context

Report Format:

- Executive Summary
  - Gartner Project Oversight overview and summary of findings and recommendations
  - Deliverables and Documents Review
  - Meetings Support and Participation
- Specific Findings
  - Detailed findings regarding the approach
  - Ratings
    - *Red - High Risk*: The approach presents *serious risks* to the project and requires immediate attention
    - *Yellow - Medium Risk*: The approach is not clearly defined
    - *Green - Low Risk*: The approach *meets* standards
  - Recommendations for improvement and risk mitigation
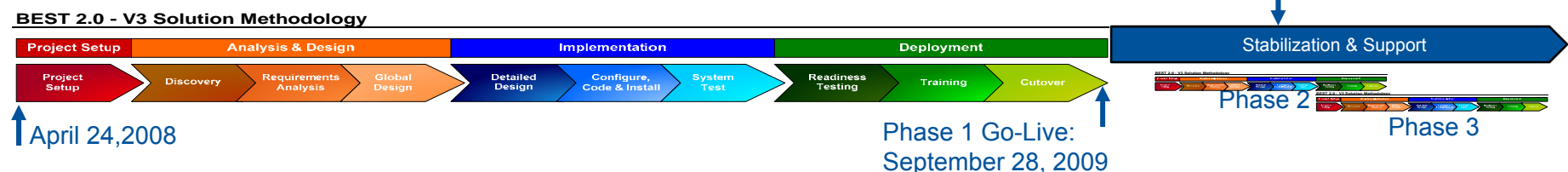
Presentations:

- Review and Validation with Project Team
- Present to Steering Committee
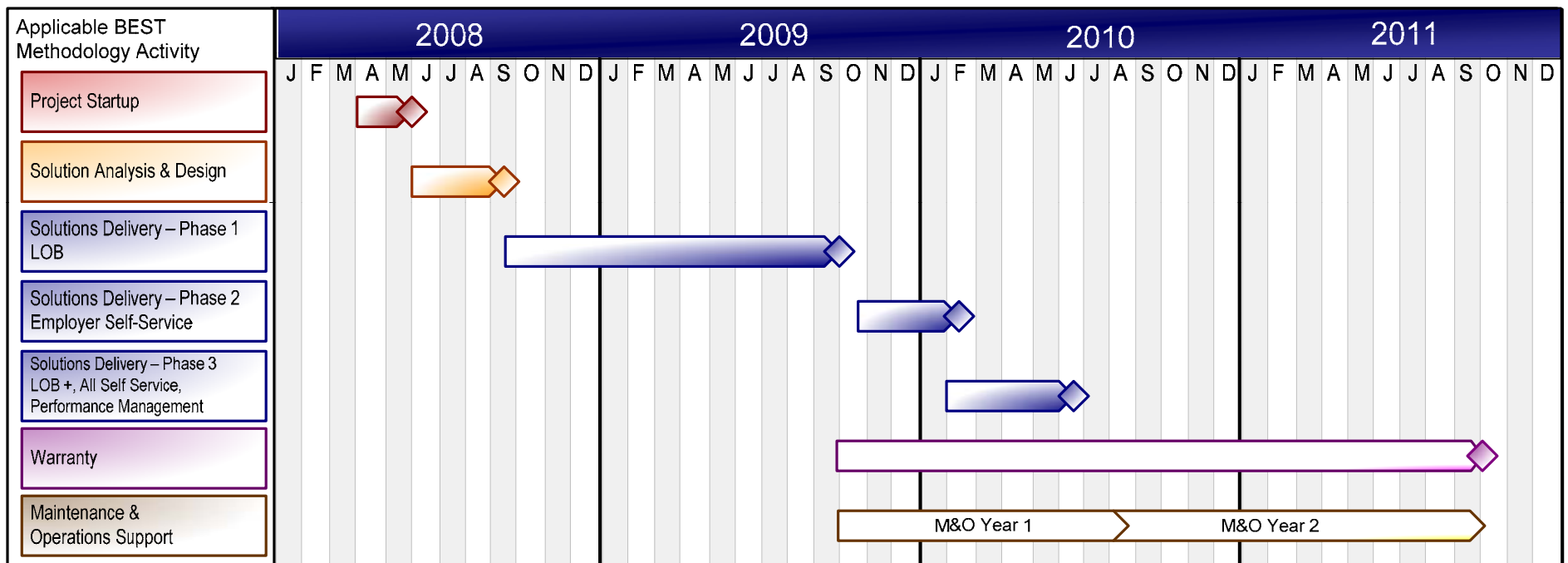- Present executive summary to EUTF Board of Trustees

Project Background

- **Phase 1 is complete**
  - Go-Live is complete
  - Stabilization and Support are underway
  - Interface data is being exported to Carriers and Employers according to the normal timeline
- **Phase 2 is in progress**
  - Beta employer organizations are being selected
- **Phase 3 will follow Phase 2**

Where we are today

BEST 2.0 - V3 Solution Methodology

Project Setup	Analysis & Design	Implementation	Deployment	Stabilization & Support

Project Setup	Discovery	Requirements Analysis	Global Design	Detailed Design	Configure, Code & Install	System Test	Readiness Testing	Training	Cutover

April 24, 2008

Phase 1 Go-Live:
September 28, 2009

Phase 2

Phase 3

Project Background (cont)

The Benefits Administration System Project timeline is shown below with Phase 1 Go-Live completed on September 28, 2009:

Applicable BEST Methodology Activity	2008 J F M A M J J A S O N D	2009 J F M A M J J A S O N D	2010 J F M A M J J A S O N D	2011 J F M A M J J A S O N D
Project Startup	◇			
Solution Analysis & Design	◇			
Solutions Delivery – Phase 1 LOB		◇		
Solutions Delivery – Phase 2 Employer Self-Service		◇		
Solutions Delivery – Phase 3 LOB +, All Self Service, Performance Management			◇	
Warranty				◇
Maintenance & Operations Support			M&O Year 1	M&O Year 2

Where we are today

- The Project Plan phasing includes:
  - Phase 1 - Replaced existing system functionality to provide the benefits of V3
  - Phase 2 - Roll out Employer Self Service functionality to Beta Employer Organizations
  - Phase 3 - Roll out Self Service to remaining Organizations and Employees and new functionality

Project Assessment Overview

Project Assessment

The Project Assessment measures project risks on a regular basis to support the successful implementation of project requirements

Risks Analyzed on a Regular Basis

Project Benefit Risks	Includes project benefit specification, project benefits measurement, scope planning, gap analysis and management, ongoing support planning, ongoing cost management, project prioritization, and complexity control
Budget Risks	Includes estimation quality, vendor management, project management, resource management, budget management, and scope management
Operational Risks	Includes customization, conversion planning, conversion execution, integration testing, performance testing, user acceptance testing, contingency planning, M&O support and ongoing vendor support
Organizational & External Risks	Includes organizational change management, user involvement, external stakeholders, training, due diligence and risk management

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Project Assessment Ratings

Rating — Gartner's Project Assessment ratings are based upon Project Management Institute (PMI) and other industry standards. To highlight potential risks to the project for each project management knowledge area, Gartner uses a "red light, yellow light, green light" reporting strategy as documented below:

- "Red Light" (Risk Alert, i.e., "High Risk"): The approach presents serious risks to the project and requires immediate attention. Recommendations for risk areas assigned this rating are essential for mitigating project risk.

- "Yellow Light" (Caution, i.e., "Medium Risk"): The approach is not clearly defined, and/or presents a risk to the project. Recommendations for risk areas assigned this rating are important to ensure optimal project operation.

- "Green Light" (Acceptable to Excellent, i.e., "Low Risk"): The approach meets or exceeds solid project management and systems implementation standards. To receive this ranking, the approach must present no significant risks to the project.

Recommendations — Gartner's recommendations for improvement and risk mitigation.

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Overall Project Assessment Findings

Overall the BAS Project is rated **Red** – **High Risk**.

- There were **6 Red** – High Risk areas identified.

- There were **2 Yellow** – Medium Risk area identified.

- There were **21 Green** – Low Risk areas identified.

Note: Decreased risk with the execution of the Vitech Supplemental Contract, and hiring a backfill IT resource; however, unresolved issues for Phase 1 Final Acceptance, additional EUTF workload, retirement of EUTF executives, and a continued lack of dedicated EUTF resources present high risk to Phases 2 and 3.

BAS Project Assessment Summary
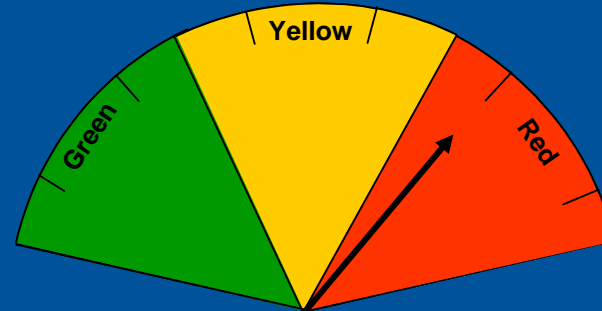
Overall Project
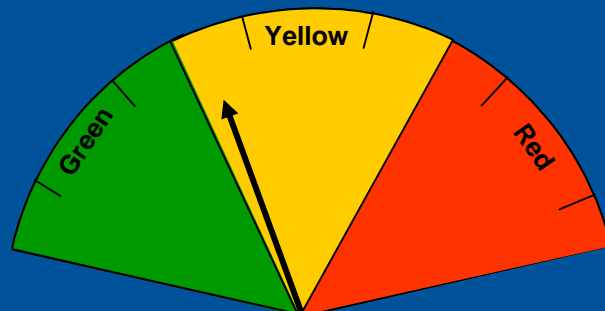
Phase 1
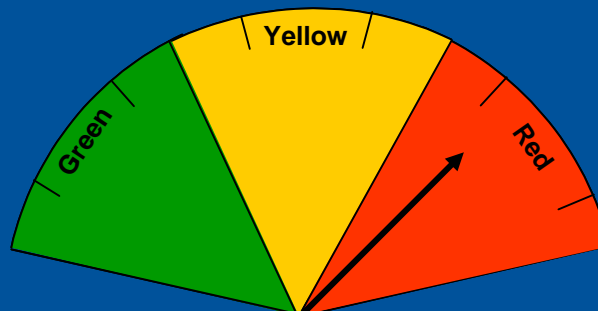
Phase 2
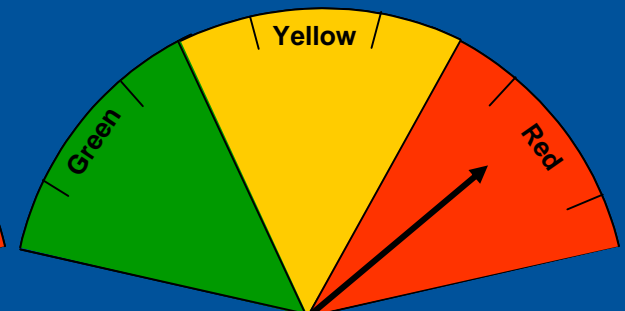
Phase 3

- There are 29 rated Categories.

Project Assessment Scorecard

Areas of Potential Risk	#1 Jun 08	#2 Aug 08	#3 Nov 08	#4 Feb 09	#5 Apr 09	#6 Jun 09	#7 Aug 09	#8 Nov 09
Project Benefit Risk								
1 Project Benefit Specification	Low	Low	Low	Low	Low	Low	Low	Low
2 Benefit Measurement	Low	Low	Low	Low	Low	Low	Low	Low
3 Scope Planning	Low	Low	Low	Low	High	High	High	Low
4 Cost Planning	Low	Low	Low	Low	Medium	High	High	Low
5 Ongoing Cost Management	Low	Low	Low	Low	Low	Low	Low	Low
6 Gap Analysis and Management	Low	Low	Low	Low	Low	Low	Low	Low
7 Project Prioritization	Medium	Medium	Medium	High	High	High	High	High
8 Complexity Control	Low	Low	Low	Medium	Medium	High	High	High
Budget & Schedule Risk								
9 Estimation Quality	Low	Low	Low	Medium	Low	Low	Low	Low
10 Vendor Management	Low	Low	Low	Low	Low	Low	Low	Low
11 Project Management	Low	Low	Low	High	High	High	Medium	High
12 Resource Management	Medium	High	Medium	High	High	High	High	High
13 Budget Management	Low	Low	Low	Low	Low	Low	Low	Low
14 Scope Management	Low	Low	Low	Low	Low	Low	Low	Low

- Recent scope and cost changes resulted from decisions made by the Board of Trustees and external stakeholders to address the budget crisis. **The Supplemental Contract with Vitech was executed to address these changes and to implement a Disaster Recovery option.**
- In addition to the impacts of the decisions above, the lack of dedicated EUTF resources has caused them to make prioritization decisions on a daily basis.
- High complexity resulted from the timing of the reconfiguration of the V3 system, **execution of open enrollment,** and lack of dedicated EUTF resources.
- **Retirement of EUTF executives, the execution of the Supplemental Contract workload, and other staff workload will impact the Phases 2 and 3 timeline.**
- EUTF resources are not dedicated full-time.
- The impact of external influences continues to redirect staff time away from project activities and causes a backlog of benefits administration workload.

High Risk ⬤ Medium Risk ⬤ Low Risk ⬤

See "Specific Findings" for detailed findings and recommendations in each risk area

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Project Assessment Scorecard

Areas of Potential Risk	#1 Jun 08	#2 Aug 08	#3 Nov 08	#4 Feb 09	#5 Apr 09	#6 Jun 09	#7 Aug 09	#8 Nov 09
Operational Risk								
15 Customization	🟢	🟢	🟢	🟢	🟢	🟢	🟢	🟢
16 Conversion Planning	🟢	🟢	🟢	🟢	🟢	🟢	🟢	🟢
17 Conversion Execution	🟢	🟢	🟢	🟢	🟢	🟡	🟡	🟡
18 Integration Testing	🟢	🟢	🟢	🟢	🟢	🟢	🟢	🟢
19 Performance Testing	🟢	🟢	🟢	🟢	🟢	🟢	🟢	🟢
20 User Acceptance Testing	🟢	🟢	🟢	🟢	🟢	🔴	🟢	🟡
21 Contingency Planning	🟢	🟢	🟢	🟢	🟢	🟢	🟢	🟢
22 M&O Support	🟢	🟢	🟢	🟢	🟢	🟢	🟢	🟢
23 Ongoing Vendor Support	🟢	🟢	🟢	🟢	🟢	🟢	🟢	🟢
Organizational & External Risk								
24 Organizational Change Mgmt.	🟢	🟢	🟢	🟢	🟢	🟢	🟢	🔴
25 User Involvement	🟢	🟢	🟢	🟢	🟢	🟢	🟢	🟢
26 External Stakeholders	🟢	🟢	🟢	🟢	🔴	🔴	🔴	🔴
27 Training	🟢	🟢	🟢	🟢	🟢	🟢	🟢	🟢
28 Due Diligence	🟢	🟢	🟢	🟢	🟢	🟢	🟢	🟢
29 Risk Management	🟢	🟢	🟢	🟢	🟢	🟢	🟢	🟢

- The data conversion process has significantly improved the quality of the data to be converted from the PeopleSoft system; however, there was insufficient time and resources to clean up the remaining inconsistent data prior to V3 Go-Live. **Staff continue to perform data clean up as time permits.**

- **The volume of User Acceptance Testing has increased due to complex Open Enrollment changes and unresolved issues that have prevented Phase 1 Final Acceptance. Issues are being documented post go-live that could have been found in User Acceptance Testing had the EUTF been able to dedicate resources.**

- **Organizational Change Management for the Beta Employers in Phase 2 has been delayed due to the EUTF resource workload issues.**

- **The impact of external influences continues to redirect staff time away from project activities and causes a backlog of benefits administration workload.**

High Risk 🔴   Medium Risk 🟡   Low Risk 🟢

See "Specific Findings" for detailed findings and recommendations in each risk area

Deliverables Review

- **Deliverable Expectation Document (DED) review**
  - Gartner is reviewing delivered DEDs against best practice content and acceptance criteria and provide comments and recommendations to the Project Management Team

- **Deliverable review**
  - Gartner is reviewing Deliverables against the agreed upon acceptance criteria in the DED and provide comments and recommendations to the to the Project Management Team
  - In determining the quality of Deliverables Gartner is considering the following factors:
    - The extent to which the content of the deliverable meets the project objectives and includes all the requirements defined in preceding project deliverables
    - The extent to which the content of the deliverable meets the needs of the subsequent phases
    - The extent to which the deliverable or process conforms with project standards and plans and with industry best practices

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Deliverables Review (cont)

- Gartner assessed the following Deliverable Expectations Documents (DEDs) and Deliverables and provided recommendations to the Project Team, which have been incorporated:

  - **Phase 1 - Deliver the Training Materials and Detailed Deployment Plan -** *Final Completed*

  - **Phase 1 First Production Use -** *Final Completed*

  - **Phase 1 Final Acceptance -** *Final Submitted*

  - **Phase 2 Design -** *Final Completed*

  - **Phase 2 First Ready for Testing -** *Final Completed*

  - **Phase 2 Training Materials and Deployment Plan -** *Final Completed*

  - Project Status Reports - *Completed As Required*

    - Project Team (weekly)

    - Steering Committee (monthly)

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Meetings Support and Participation

- Gartner supported/attended the following BAS Project meetings:
  - EUTF Board of Trustees Meeting
  - Project Management Team Meetings
  - Internal Project Management Meetings
  - Steering Committee Meetings
  - Project Oversight Planning Meetings
  - Project Assessment Review Meetings
  - **Vitech Supplemental Contract Meetings**
  - **Deliverable Review Meetings**
  - **Data Conversion Meetings**
  - **UAT and Training Meetings**
  - **Deployment Meetings**
  - **Go/No-Go Decision Meetings**
  - **Final Acceptance Meetings**

Next Steps

- Respond to any questions from the EUTF Board of Trustees.

- Assist with the implementation and tracking of recommendations.

- Continue with ongoing Project Oversight activities.

- Conduct the next Project Assessment and note any variances/trends among assessment periods.

■ ■ ■ ■ ■ Specific Findings

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BAS Project Assessment

The BAS Project Assessment encompasses an independent review and assessment of the risks associated with the implementation of the BAS Project around following areas: Project Benefit, Budget and Schedule Risk, Operational Risk, and Organizational and External Risk. It further identifies and suggests mitigation strategies as well as provides recommendations to ensure that the project will meet schedule, scope, and budget requirements.

BAS Project Assessment

- Project Benefit
- Budget and Schedule Risk
- Operational Risk
- Organizational and External Risk
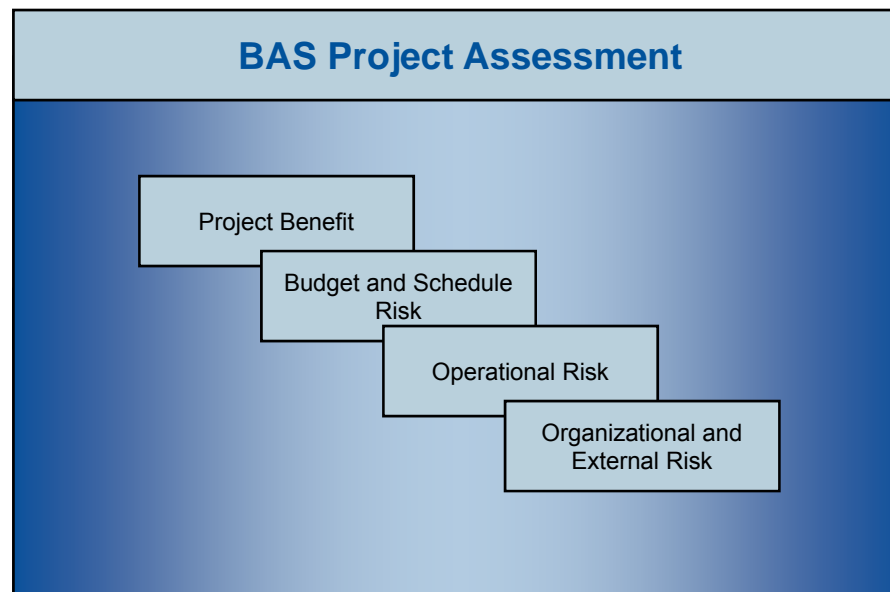
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Approach
Project Assessment Categories

	Project Assessent Categories	
	Gartner Assessment Categories	**BAS Project**
1	Project Benefit Specification	Yes
2	Project Benefit Measure	Yes
3	Scope Planning	Yes
4	Ongoing Support Planning	Yes
5	Ongoing Cost Management	Yes
6	Gap Analysis and Management	Yes
7	Project Prioritization	Yes
8	Complexity Control	Yes
9	Estimation Quality	Yes
10	Vendor Management	Yes
11	Project Management	Yes
12	Resource Management	Yes
13	Budget Management	Yes
14	Scope Management	Yes
15	Customization	Yes
16	Conversion Planning	Yes
17	Conversion Execution	Yes
18	Integration Testing	Yes
19	Performance Testing	Yes
20	User Acceptance Testing	Yes
21	Contingency Planning	Yes
22	M&O Support	Yes
23	On-going Vendor Support	Yes
24	Organizational Change Management	Yes
25	User Involvement	Yes
26	External Stakeholders	Yes
27	Training	Yes
28	Due Diligence	Yes
29	Risk Management	Yes

29 Categories were Assessed and Evaluated against Industry Best Practices

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Project Assessment Ratings

Rating — Gartner's Project Assessment rating is based upon Project Management Institute's (PMI) and other industry standards. To highlight potential risks to the project for each project management knowledge area, Gartner uses a "red light, yellow light, green light" reporting strategy as documented below:

- "Red Light" (Risk Alert, i.e., "High Risk"): The approach presents serious risks to the project and requires immediate attention. Recommendations for risk areas assigned this rating are essential for mitigating project risk.

- "Yellow Light" (Caution, i.e., "Medium Risk"): The approach is not clearly defined, and/or presents a risk to the project. Recommendations for risk areas assigned this rating are important to ensure optimal project operation.

- "Green Light" (Acceptable to Excellent, i.e., "Low Risk"): The approach meets or exceeds solid project management and systems implementation standards. To receive this ranking, the approach must present no significant risks to the project.

Recommendations — Gartner's recommendations for improvement and risk mitigation.

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Specific Findings -- Project Benefit Risk

Key Challenge	Findings/Observations
1. Project Benefit Specification • Project benefits are defined and maintained. • Linkage between tangible project benefits and the outputs of the project are defined. • Original business objectives are still valid. • Change process is in place to link changes in business objectives to project benefits. **Low**	• The BAS Project has a well thought out and articulated business case from the Feasibility Study Report (FSR) that clearly defines the scope of the project and the timeframe for its completion, as well as the business value to be delivered over the phased implementation. • A change to the original project phases was approved to realize Line of Business (LOB) project benefits sooner, while delaying new automated functionality, performance management, and employee self service (ESS) for later Phases. • Phase 2 will roll out ESS to Beta Organizations, selected in part by the project benefits to be realized **and the limited availability of the EUTF resources.** • Project benefits are considered when addressing design, configuration, and deployment decisions. • The Project Team generally reaches consensus around the BAS functionality to be delivered. • Although there have been no changes to business objectives since the development of the FSR, there is no process in place to link *changes* in business objectives to project benefits or the *timing of realization* of those project benefits.

Recommended Action

• Establish a process to periodically review and update the Business Case as new project benefits may be identified throughout the course of the BAS Project. - *In Progress*

• Select the Beta Organizations in consideration of the project benefits to be realized **and the limited availability of the EUTF resources. - *In Progress***

Specific Findings -- Project Benefit Risk
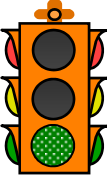
Key Challenge	Findings/Observations

2. Project Benefit Measurement
 	
• Project benefits have been quantified.
 	
• Key metrics are defined.
 	
• Process exists to measure the project benefits on an ongoing basis.
 	
• Management is aware of the project benefit measurement process and sponsors its implementation.
 	
Low
	• **Although the system has been in use since September of 2009, the EUTF resources do not have time to measure Phase 1 project benefits at this time.**
	
	• Draft key metrics / success criteria for baselining and measuring project benefits have been developed for enrollment to ensure that what has been delivered provides the project benefits (technical and business) proposed. Development of draft measures for accounting have also been developed.
	
	• However, some current-state measures have not been quantified such that the improvements can be measured against a baseline, for example:
	  • Inefficiency of limited staff resources caused by a cumbersome user interface, dual data entry, data integrity issues.
	  • Cost per customer transaction (phone, paper forms).

Recommended Action

• Consider quantifying/estimating business process and operational metrics for the current state **of Phases 2 and 3 functionality.** This activity will be critical to assess the project benefits provided by the new system. - *In Progress*

• Establish a process for measuring project benefits of the new system. - *Not Started (will start after stabilization of V3)*
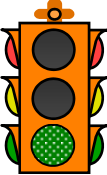
Specific Findings -- Project Benefit Risk

Key Challenge	Findings/Observations
3. Scope Planning • Project is focused on the full scope of original specifications. • Criteria for scope changes exist. • Business is involved in scope changes. **Low** *Note: Decreased risk due execution of the Supplemental Contract to accommodate recent scope and cost changes*	• **The Supplemental Contract with Vitech was approved by the Governor and executed to address changes to the V3 configuration due to employer and Board decisions. The Supplemental Contract includes:** 　• Change Order 4 - Determining Rates by Bargaining Unit and Employer 　• Change Order 5 - Proposed Administrative Rule Change for Coverage and Deduction Begin Date 　• Change Order 6 - Bargaining Unit 07 Rate Changes Effective July 1, 2009 (pending direction to implement) 　• Change Order 7 - EC1 and EC2 Forms Re-design Due to Active and Retiree Plan Design Changes 　• Change Order 8 - Interface and Report Configuration for EUTF-Owned Bank Account in Phase 3 　• Updated Disaster Recovery Hosting Solution 　• Hours for data conversion, interfaces, reports, documents and workflow.

Recommended Action

• Determine how the reconfiguration to accommodate the varying employer contribution rates by employer within a bargaining unit will change the scope of the BAS Project or M&O Support. - ***Complete***

• Perform an analysis of the BAS Project resources and timeline based on the impact and timing of benefit plan options being considered by the Board of Trustees that will take effect on January 1, 2010. - ***Complete***

• Perform an analysis of the BAS Project resources and timeline based on the impact and timing of providing employees a choice of when coverage and contributions will start (will require an update to the change order). - ***Complete***

• Document the justification for the recent scope and cost changes in a request for a Supplemental Contract with Vitech by referencing the noted scope changes in Project Assessment Reports 1 – 6. - ***Complete***
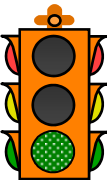
Specific Findings -- Project Benefit Risk

Key Challenge	Findings/Observations
4. Ongoing Cost Planning • Ongoing maintenance cost estimate is complete. • Maintenance cost estimate includes upgrade costs, vendor & in-house IT support, and user training. • Provision has been made for further development post go-live. • Maintenance and support costs are factored into the business case. **Low** *Note: Decreased risk due execution of the Supplemental Contract to accommodate recent scope and cost changes*	• The Feasibility Study Report estimated costs using a Total Cost of Ownership approach which included both initial and ongoing costs. • The Vitech Contract was developed as a firm-fixed price (FFP) agreement which locks initial and ongoing costs as well as rates for scope increases if necessary, making costs predictable. • The Maintenance and Operations (M&O) cost includes upgrades; Vitech, EUTF and DAGS support; further development, and training. • **The Supplemental Contract included an increase in cost to address the recent scope changes; execution of the Disaster Recovery Hosting Solution option; the pool of hours for data conversion, interfaces, reports, documents and workflow.**

Recommended Action

• If a contractor is hired, incorporate flexibility into the agreement for ramping up/down hours as necessary such that BAS Project budget can be easily maintained. - *No Longer Required*

• See Category 3 for recommendations regarding scope and cost changes. - *Completed*

Gartner.

Specific Findings -- Project Benefit Risk

Key Challenge	Findings/Observations
5. Ongoing Cost Management • Specific plans are in place to ensure that costs are managed. • Management resources are identified to manage support issues post go-live. • Support team is identified to manage support post go-live. • Support team is trained and involved early in the project. **Low** • Mechanics of transition to support are defined and communicated.	• The firm-fixed priced Vitech Contract provides for cost manageability through a predictable deliverables-based payment schedule. • **The Supplemental Contract included an update to the payment schedule to facilitate cost management.** • Management and support resources from the Project Team (from both Vitech and EUTF) transitioned to manage support issues post go-live. • The M&O Support Team (Vitech, EUTF, and DAGS/ICSD) is involved in the BAS Project, and the transition to support was executed. • A V3 Support Plan was developed and provided to end users in a series of training sessions. • An hours tracking tool for managing the pool of hours for data conversion, interfaces, reports, documents and workflow is being updated/reviewed regularly. • The BAS Project successfully manages cost with respect to the approved design.

Recommended Action
• **Update the Hours Tracking Tool to include the additional hours provided by the Supplemental Contract. -** *New*

Gartner.

Specific Findings -- Project Benefit Risk

Key Challenge	Findings/Observations
6. Gap Analysis and Management • Gap analysis is performed to reconcile system capabilities with the business requirements. • Process is in place to resolve the differences between system capabilities and business requirements. **Low**	• Both the business need and the detailed technical architecture of the system were defined in the Vitech Contract. • The Project Team is executing Vitech's BEST 2.0 methodology which included high-level and detailed design sessions to reconcile system capabilities with the business requirements. • There is a formal process to document and communicate design decisions and gap analysis activities to the EUTF Administrator. • The Testing Plans include validation of business requirements. • EUTF staff are heavily involved in testing activities to validate implementation of business requirements. • **Phase 1 Final Acceptance Criteria include validation of the Requirements Traceability Matrix (RTM), Service Level Requirements (SLRs), deliverables review, and resolution of all Phase 1 Final Acceptance Issues.** • **The Phase 2 Design Deliverable was completed.**

Recommended Action
• **Include validation of the Requirements Traceability Matrix (RTM), Service Level Requirements (SLRs), deliverables review, and resolution of Phase 1 Final Acceptance issues in the Phase 1 Final Acceptance Criteria. -** *Complete*

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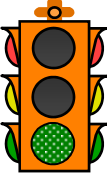
Specific Findings -- Project Benefit Risk

Key Challenge	Findings/Observations
7. Project Prioritization • Management is holding regular meetings to check on progress of the project. • Project Team is getting commitment from management in the form of additional resources and support when necessary. • Project Team is getting commitment from management in terms of active engagement and resolution of issues. **High** *Note: Continued high risk due to recent scope and cost changes resulting from decisions made by the Board of Trustees and external stakeholders to address the budget crisis. In addition the lack of dedicated EUTF resources has caused them to make prioritization decisions on a daily basis.*	• The Steering Committee made the decision to go live with V3 since there were no "show-stopper" issues and other high-priority EUTF activities depend on the use of the new system. • Open Enrollment **was executed** shortly following V3 Go-Live. • Scope and cost changes resulting from decisions made by the Board of Trustees and external stakeholders to address the budget crisis have impacted the BAS Project (see category 3). • The lack of dedicated EUTF resources has caused them to make prioritization decisions on a daily basis. • Overall, there is a clear vision for the project which guides project prioritization as documented in the requirements. • The Project Management Team conducts weekly meetings regarding the BAS Project's progress, plans, issues, risks, and action items. • The Project Team has the commitment of the Steering Committee to govern the BAS Project. Issues are escalated as necessary; **however, the retirement of the EUTF Administrator and the Assistant Administrator has removed executive leadership.**

Recommended Action

• Dedicate full-time resources to the BAS Project as much as possible. *- In Progress*
• Increase the priority of project activities and action items by escalating to the Steering Committee as necessary. *- In Progress*
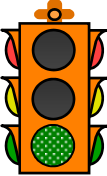
Key Challenge	Findings/Observations
8. Complexity Control • Project scope is clearly defined. • Project scope and deliverables are clearly discussed with the management team. • Management understands the impact of changing specifications half-way through the project. • Potentially impacted people are involved in the project. • Design receives sign-off from the Project Management Team and the Steering Committee. **High** *Note: Continued high risk resulting from the timing of the reconfiguration of the V3 system, **execution of open enrollment,** and lack of dedicated EUTF resources.*	• **EUTF staff are heavily involved in complex validation of defect resolution and testing and execution of an open enrollment that was more complex than usual.** • The BAS Project's scope is defined in the Vitech Contract and the increase in complexity of changing scope late in the project is being addressed by the Project Team and the Steering Committee. • Deliverable Expectation Documents (DEDs) and Deliverables require approval prior to payment in accordance with the Payment Schedule. • Reconfiguration of the V3 system was required to accommodate varying employer contribution rates by employer within a bargaining unit, which is further complicated by the timing of the change near the V3 Go-Live date. • BAS Project resources and timeline were impacted by decisions and timing of benefit plan s. • The design was approved by the Project Management Team and the Steering Committee prior to implementation. • Some Project Management responsibilities were being redirected to Team Leads since the EUTF PM is not dedicated full-time to the BAS Project. Although this allows the PM to focus on IT tasks, it introduces some complexity to project task tracking and intra-team reporting. Gartner is also assisting the Project Team to support the increased workload.

Recommended Action

• Monitor the refined complexity and schedule estimates though comparison to actual performance to determine if future schedule estimation adjustments are required. - *In Progress (also in Estimation Quality)*

Specific Findings -- Budget & Schedule Risk

Key Challenge	Findings/Observations

9. Estimation Quality
• Process for estimating the cost and duration of the project is defined.
• Appropriate experience is given to developing the project plan and schedule.
• Previous experience is shown on similar projects.
• Estimation goes through a review process.
• Estimation process is linked to the current plan.
• Appropriate contingency is provided.
 	
Low
	• The BAS Project has a detailed Project Plan developed and reviewed by experienced staff that includes assigned resources, key project milestones, and delivery dates.
	• Vitech provided new estimates for allocation of the fixed pool of hours for data conversion, interfaces, reports, documents and workflow configuration due to the following:
	  • VEBA interface more complex than originally planned.
	  • Domestic partner rule change.
	  • Unbundling of prescription drug change.
	  • COBRA changes.
	  • Lack of dedicated EUTF staff shifted workload to Vitech.
	  • Reconfiguration of V3 to accommodate varying employer contribution rates by employer within a bargaining unit.
	  • Reconfiguration of V3 due to UH BU07 rates.
	• **Go-Live schedule estimates for Phases 2 and 3 will need to be revisited in light of the additional workload within the executed Supplemental Contract.**

Recommended Action

• **When reviewing and validating the schedule estimates for Phases 2 and 3, consider benefits to be realized, EUTF resource constraints, and the additional workload in the Supplemental Contract. - *In Progress***
• Monitor the refined complexity and schedule estimates though comparison to actual performance to determine if future schedule estimation adjustments are required. - *In Progress (also in Complexity Control)*

Key Challenge	Findings/Observations
10. Vendor Management • Vendor(s) share risk for late delivery. • Vendor(s) are required to meet pre-arranged budget. • Vendor(s) can carry out unplanned work separate to the contract scope. • Project has an experienced negotiator. • Signed contract(s) are in place. **Low**	• The selected vendor, Vitech, shares in the project's risk per the signed Contract, in terms of such areas as the late delivery of needed system components and functionality, the lack of not meeting specified performance criteria in terms of business functionality and benefits delivered, and M&O Support performance. • Vitech is required to meet the pre-arranged budget in the firm-fixed price contract (FFP). • Vitech's Contract contains provisions for executing unplanned work based on locked-in rates. • As an experienced negotiator, Gartner **assisted** in the process to develop, negotiate, and seek approval **of** a Supplemental Contract with Vitech. • The EUTF worked closely with BST to manage the hours used for legacy data system development, PeopleSoft maintenance, and data conversion. **The Project Team successfully managed the BST hours such that the contract expenses remained within budget.**

Recommended Action
• Work closely with BST to refine the hours estimated and monitor the hours used for the legacy data system development, data conversion, and other BAS Project support. - *Complete*

Gartner.
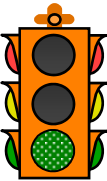
Specific Findings -- Budget & Schedule Risk

Key Challenge	Findings/Observations
11. Project Management • Project manager is experienced. • A strong project management methodology is used. • Project plan and schedule are up-to-date. • Regular project review process is in place. • Project feedback mechanism is used to recognize, log and action issues. • A mechanism is in place for project turnover (i.e., people leaving and joining the project). **High** *Note: Increased risk with the retirement of EUTF executives and the execution of the Supplemental Contract workload and its impact on the Phases 2 and 3 timeline.*	• **The Project Schedule requires an update to accommodate the Supplemental Contract and the impact on Phases 2 and 3.** • **The retirement of the EUTF Administrator and the Assistant Administrator has introduced additional risk to the BAS Project. Note that the plan to proceed with Phases 2 and 3 was reliant on the full-time dedication of the Assistant Administrator who has since retired.** • Project resources and timeline was impacted by external decisions. • The Team conducts formal walk-throughs of key Deliverables. • The Project Management Team receives weekly status reports. • Some Project Management responsibilities were redirected to Team Leads since the EUTF PM is not dedicated full-time to the BAS Project. Although this allows the PM to focus on IT tasks, it introduces some complexity to project task tracking and intra-team reporting. Gartner is also assisting the Project Team to support the increased workload. **Now that the IT Back-fill position has been filled, the Project Team can revisit the Project Management responsibilities.**

Recommended Action

• Conduct EUTF walk-throughs of key Deliverables to ensure quality and a common understanding. - *In Progress*
• **Update the Project Schedule to accommodate the Supplemental Contract and the impact on Phases 2 and 3.** *- In Progress*
• Perform a Phase 1 Lessons Learned analysis **prior to detailed planning for Phases 2 and 3 (e.g., dedicated more resources to User Acceptance Testing, provide time for a stabilization period following go-live before making additional changes to the system).** - *Not Started*
• **Now that the IT Back-fill position has been filled, the Project Team should revisit the Project Management responsibilities.** *- In Progress*
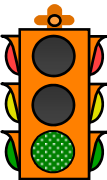
Specific Findings -- Budget & Schedule Risk

Key Challenge	Findings/Observations
12. Resource Management • Full-time participation on the project includes both business and IT representatives. • Resources receive sufficient training on the project. • System vendor maintains continuity of staff. **High** *Note: Continued high risk resulting from recent scope changes and lack of dedicated EUTF resources.*	• **The retirement of the EUTF Administrator and the Assistant Administrator has introduced additional risk to the BAS Project. Note that the plan to proceed with Phases 2 and 3 was reliant on the full-time dedication of the Assistant Administrator.** • **A back-fill IT resource was hired on January 4, 2010 after receiving Governor approval.** • **Vitech replaced one resource (that was called to active military duty) and plans to add more to support the BAS Project.** • EUTF resources are not assigned full-time due to expectations to perform day-to-day business activities. • The impact of external influences continues to redirect staff time away from project activities and causes a backlog of benefits administration workload and presents risk to Phase 2 and 3 (e.g., BU07 decisions, furloughs and reduction in force (RIF) decisions, ARRA impact on HIPAA security, Eligibility Audit results, potential Claims Audit preparation, Open Enrollment, increased number of employee/retiree phone calls).

Recommended Action

• **Hire a new EUTF Administrator and Assistant Administrator as soon as possible - *In Progress***
• Hire one remaining IT back-fill resource. - ***Complete***
• Dedicate resources to the BAS Project as much as possible. - *In Progress*
• Proceed with the decision to execute the design and configuration of Phases 2 and 3. - ***Complete***
• Perform a Security Risk Assessment to ensure compliance with new HIPAA requirements. - ***(Not Started)***
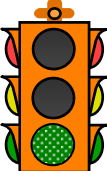
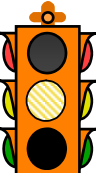| Key Challenge	Findings/Observations
13. Budget Management • A budget review process is in place. • A budget management process is in place. • An issue management process is in place. **Low**	• The firm-fixed priced Vitech Contract contains a deliverables-based payment schedule which provides a straight-forward way to review and manage the project budget as invoices are reviewed and paid. • In order to contain firm-fixed price costs, the scope of reports, forms, interfaces, etc., was assigned a fixed pool of hours. These hours are tracked and reviewed as part of the project management activities. • The Project Plan contains the Deliverables schedule with key project milestones and delivery dates that provides for budget predictability. • An issue management process is in place to deal with any budget management issues that may be identified in the budget review process. • The BAS Project successfully manages cost with respect to the approved design; however, decisions made by the Board of Trustees have recently caused reconfiguration resulting in an increase in scope and cost. **The approval and execution of the Supplemental Contract with Vitech increased the Project Budget accordingly.**

Recommended Action
• None

Specific Findings -- Budget & Schedule Risk
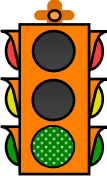
Key Challenge	Findings/Observations
14. Scope Management • Project scope is clearly defined. • Project deliverables are clearly defined and discussed with the management team. • Project management team understands the impact of changing specifications during the project. • Structured mechanism in place to implement scope changes. **Low**	• The project scope is clearly defined within the Vitech Contract • Project Deliverables are clearly defined in the Vitech Contract with the delivery schedule documented in the Project Plan. • Deliverable Expectation Documents and Deliverables are discussed with the Project Team and approved by the Project Management Team. • The Project Team and the Steering Committee understand the impact of changing specifications half-way through the project, which is a key purpose of the high-level design sessions. • A structured mechanism is in place to implement scope changes as documented in the Scope Change Plan. • The Project Team used the scope change process to document the recent scope changes in Change Orders 4 through 8. **The approval and execution of the Supplemental Contract with Vitech increased the Project Scope accordingly.**

Recommended Action

• None.

Key Challenge	Findings/Observations
15. Customization • Minimum custom changes are made to the system. • Process is in place to manage customization. • Analysis is carried out to check impact of custom changes. • Custom changes can be reversed or modified easily if this becomes necessary. • Custom changes are fully documented. • Resources are available to modify custom functionality. **Low**	• One of the guiding principles of the Project is to minimize customizations to the V3 Benefits Administration System. • A process is in place to manage customization through out the high-level design activities to date. • No customizations have been required to date, so no impact analysis, reversals, documentation or resources are required at this time. Most requirements are covered through configuration. • Some requirements are being covered through new development that will become part of the baseline COTS software for all V3 clients. • Recent V3 configuration changes required additional new software development for the baseline COTS software.

Recommended Action
• None
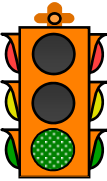
Key Challenge	Findings/Observations

16. Conversion Planning
 	
 • Accountability for system and data conversion activities is assigned.
 	
 • System and data conversion is planned early in the project.
 	
 • Processes are in place for validating conversion success and actioning conversion failures.
 	
 • Validation routines exist to ensure conversion success.
 	
 Low
	• Accountability for system and data conversion activities is defined in the Vitech Contract. The EUTF is being assisted by BST for its data extraction and data cleansing responsibilities from the existing PeopleSoft system.
	
	 • Data conversion activities have been included in the Project Plan and were initiated early in the BAS Project.
	
	 • The Project Plan contains Data Conversion planning activities which culminated in the Data Conversion Plan.
	
	 • The EUTF contracted with BST to create a database of historical legacy data that will not be converted into the new V3 system. This legacy database may be used to support law suits that require access to historical legacy data.
	   • A legacy system design document was developed to document the requirements of the system.
	   • Vitech has configured the historical database on the Development System.
	   • **BST has completed the legacy database and provided training and documentation.**

Recommended Action
• None

Gartner

Specific Findings -- Operational Risk
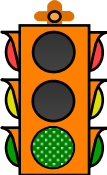
Key Challenge	Findings/Observations

17. Conversion Execution
 	
• Conversion checklists are defined.
 	
• Conversion resources are defined.
 	
• Vendor support during conversion is communicated.
 	
• Restart and roll-back scenarios in case of conversion failure are defined.
 	
• Estimated conversion effort is defined.
 	
• Contingencies in case of conversion problems are defined.
 	
Medium
 	
Note: Continued risk resulting from insufficient time and resources to clean up all remaining inconsistent data prior to Go-Live. Date clean-up continues.
	• Vitech and BST support has been contracted and communicated.
	• Vitech reports that the World and Employment Cycle was one of the best first runs as compared to previous V3 implementations.
	• The Data Conversion testing activities are in progress using an iterative approach:
	  • Images have been converted to minimize conversion time during the cutover process.
	  • Data Conversion Cycle Scorecards and issues were reviewed. There are no critical issues that remain.
	  • The data conversion process significantly improved the quality of the data to be converted from the PeopleSoft system.
	  • Weekly Data Conversion Meetings were used to prioritize remaining data clean up and to determine whether some clean up could be delayed until after Go-Live on V3 (due to lack of EUTF resources).
	  • There was insufficient time and resources to clean up the remaining inconsistent data for those individuals that had multiple records in PeopleSoft and other bad data.
	• **Data clean up continues as time permits.**

Recommended Action	
• **None**	

Gartner.

Specific Findings -- Operational Risk

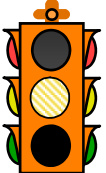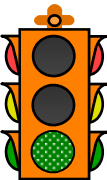| Key Challenge	Findings/Observations
18. Integration Testing • Responsibility for integration testing is assigned. • Integration testing is planned early in the project. • Process for dealing with integration test failures is defined. • Test cases and expected results are developed. • User involvement in integration testing is planned. **Low**	• Vitech has the lead responsibility for integration testing while the EUTF has a support responsibility as defined in the Contract. • Plans for Integration Testing activities are documented in the Project Plan. • Initial test cases and scenarios are included in the Deliverable M-6: Phase 1 - Employee Profile and Employer/Carrier/Employee Organization Functionality Configured and First Ready for Testing. • The Master Test Strategy was received and a walk-through was conducted for quality assurance and a common understanding. • The Test Plans Deliverable was completed and accepted. • Integration Testing was executed with participation of the EUTF Validation Team. Retesting of Integration Testing issues is occurring in UAT.

Recommended Action

• None.

Gartner.

Specific Findings -- Operational Risk

Key Challenge	Findings/Observations
19. Performance Testing • Responsibility for performance testing is assigned. • Performance testing is planned early in the project. • Performance test plans include data volumes. • Performance test plans include online loads. • Process for actioning failures is defined. • Test cases are built, and expected results to ensure performance test success are defined. **Low**	• Performance service level requirements (SLRs) are defined in the Vitech Contract. • Vitech has the lead responsibility for performance testing while the EUTF has a support responsibility as defined in the Contract. • Plans for Performance Testing and Tuning activities are documented in the Project Plan. • The Master Test Strategy was received and a walk-through was conducted for quality assurance and a common understanding. • The Test Plan included performance testing execution in mid-August 2009. • **Imaging performance is slower than in the legacy system because the system is now located at the Data Center (with a different architecture and process) which requires images to be transferred over the network.** • **The network configuration also causes delays in the V3 response time.**

Recommended Action

• **Perform and analysis to determine how imaging performance can be improved. -** *In Progress*

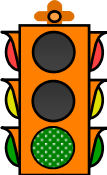• **Perform and analysis to determine how network performance can be improved. -** *In Progress*

Gartner.

Specific Findings -- Operational Risk

Key Challenge	Findings/Observations
20. User Acceptance Testing (UAT) • Formal process for training and engaging business users to participate in the validation is effort defined. • Prototyping, so that users can validate the process interactively, is adequately defined. • Process for actioning user concerns is in place. **Medium** *Note: Increased risk due to high volume of UAT regarding Open Enrollment changes and unresolved issues that have prevented Phase 1 Final Acceptance.*	• The EUTF has the lead responsibility for user acceptance testing while has Vitech a support responsibility as defined in the Contract. • The Master Test Strategy was received and a walk-through was conducted for quality assurance and a common understanding. • The Test Plans Deliverable was completed which included UAT. • Generally, there was a positive end-user response regarding the V3 system during UAT and Training. • Carrier and Payroll files have been developed and tested. • Retesting of production issues is required not only to validate that the issue has been resolved, but also to validate that new issues have not been created. There have been where resolving one issue causes other issue(s). • **Issues are being documented post go-live that could have been found in User Acceptance Testing had the EUTF been able to dedicate resources.** • **Unresolved issues have prevented Phase 1 Final Acceptance.** • **Complex Open Enrollment changes and unresolved issues have caused a high volume of UAT.**
Recommended Action	
• **None**	

Specific Findings -- Operational Risk
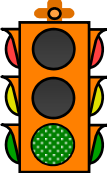
Key Challenge	Findings/Observations
21. Contingency Planning • Roll-back plan is defined in case of system failure. • Plans are in place for stand-by of key support resources. • Potential go-live system failures and action points to mitigate them are identified. • Key project resources are trained in failure procedures. **Low**	• The Deployment Plan has been developed and accepted. • A Dry-Run Deployment in August 2009 enabled the Project Team to use lessons learned to refine the Cutover checklist and timing. • Key resources were in place to execute the Deployment Plan and provide post Go-Live support. • **The Supplemental Contract was executed which includes a Disaster Recovery Site.** • **Due to the time that it will take to implement, the V3 system does not currently have a Disaster Recovery Site.**

Recommended Action

• The EUTF should develop a brief short-term Business Continuity Plan (e.g. manual processing) to address the time when the V3 system will not have a disaster recovery site. - *In Progress*

• Include the Vitech Disaster Recovery Hosting Solution option in the Supplemental Contract. - ***Complete***

Key Challenge	Findings/Observations
22. M&O Support • The support team for system go-live is identified. • Support covers helpdesk, operations, incident management & training, change requests, and additional development. • Support resources are involved early in the project. • A process to develop and test the support process is in place. • Turn Over to Production Plan is in place. **Low** • Support Service Level Requirements (SLRs) have been defined.	• Vitech has the lead responsibility for M&O Support while the EUTF and DAGS/ICSD have a support responsibility as defined in the Contract. • SLRs have been defined in the Vitech Contract. • A DAGS/ICSD Service Level Agreement (SLA) for hosting and support services is planned for development. • Plans for turnover to M&O Support activities are documented in the Project Plan and were executed. • The Project Team has agreed to use Tivoli for backups that will be conducted by DAGS/ICSD in accordance with the State standard. • Vitech has agreed to maintain the scanning system and the legacy database as part of the M&O activities as documented in Scope Change 3. **V3 will be configured to accommodate new scanners**. • A V3 Support Plan and tools were developed and provided to end users during a series of training sessions.

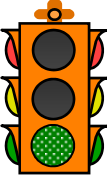| Recommended Action |
|---|
| • Follow up with DAGS/ICSD to initiate the development of the planned SLA for hosting and support services. - *In Progress* |

Gartner

Specific Findings -- Operational Risk

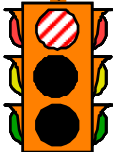| Key Challenge	Findings/Observations
23. Ongoing Vendor Support • Implementation and M&O support contracts with the external vendor(s) are defined. • Support contracts contain service level requirements (SLRs). • Escalation mechanism to obtain on-site support are defined. **Low**	• A combined Implementation and M&O Support Contract with Vitech has been executed. • The Vitech Contract contains SLRs. • The Vitech Contract includes onsite support and escalation mechanisms, if necessary. • The EUTF has contracted with BST to complete the data conversion support and provide ongoing M&O Support for the current PeopleSoft system through V3 system cut-over with optional terms to extend the services to December 31, 2009.

Recommended Action

• None.

Gartner

Specific Findings -- Organizational and External Risk

Key Challenge	Findings/Observations

24. Organizational Change Management
 	
• Business sponsor is identified and is committed to the project.
 	
• The change management team and Project Team fully understand change methodology.
 	
• Communication program is defined early and process is initiated with management.
 	
• Key personnel (change champions) from each affected area are in place.
 	
• Senior management have made themselves available to the user base to explain the changes and why they are needed.
 	
High
 	
• User groups or user committees are in place to inform the users of the required changes early.
 	
Note: Increased risk due to lack of EUTF executive oversight and EUTF workload.
	• **The EUTF Administrator was identified as the Business Sponsor and was committed to support successful project execution and change management; however, his retirement leaves a vacancy that has not been filled.**
	• A Communication Plan and Organizational Change Management (OCM) Plan have been developed to support Organizational Change Management throughout the Project.
	• The EUTF has the lead responsibility for executing the activities defined in the OCM Plan:
	  • EUTF All-Staff Meetings and Department Meetings were conducted to provide current project status and to conduct OCM activities and to address questions.
	  • Validation Team members are serving as Change Agents and assisting with the implementation.
	  • All employees were involved UAT and Training.
	  • Key resources were in place to provide post Go-Live support.
	• **Organizational Change Management will require a significant level of EUTF effort to prepare employers and employees during Phases 2 and 3, which may be hindered due to EUTF workload.**

Recommended Action

• The EUTF Project Team members should develop a running list of key changes that will either impact rules and/or business processes so that the changes can be proactively addressed using the processes documented in the Organizational Change Management Plan. *- In Progress*

• Focus on OCM activities for Phase 2 and 3 activities. - ***Not Started***

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Key Challenge	Findings/Observations
25. User Involvement • There is a high level of business and end-user involvement on the Project Team. • There is a forum in place involving feedback to gather information from the user base. • Key personnel from each affected area have been identified. • Senior management has made themselves available to the user base to explain the changes and why they are needed. **Low**	• The Project Team has strong business representation and involvement, while end-user input will be solicited as required. • Key personnel have been identified. • A Communication Plan has been developed that defines user communications throughout the BAS Project. • A series of meetings and communications have been defined in the Organizational Change Management Plan to inform EUTF end users about the BAS Project and to gain their support. • Senior management (Steering Committee members) have made themselves available to explain the changes and answer questions. • Users have been informed that they can ask questions in person or through e-mail which provides a means to gather information and feedback from the user base. The Project Team started to develop a frequently asked questions list. • End users were heavily involved in UAT and Training.

Recommended Action

• Provide a post Go-Live frequently asked question (FAQ) list based on logged help desk issues **and post this to a common area on the network drive (in preparation for the V3 knowledge base in Phase 3).** - *In Progress*

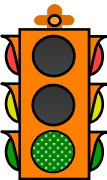# Specific Findings -- Organizational and External Risk

Key Challenge	Findings/Observations
26. External Stakeholders • A stakeholder impact analysis is planned. • Stakeholder communication processes are in place. • Initiatives to communicate to stakeholders regarding the proposed changes and their impact are defined. • Escalation plans (with critical stakeholders) in the case of a system failure upon go-live are defined. **High** *Note: Continued high risk resulting from recent external stakeholder decisions that will result in configuration changes to V3.*	• A Communication Plan has been developed that defines external stakeholder communications throughout the Project. • A series of communications have been defined in the Organizational Change Management Plan to inform external stakeholders about the BAS Project and to gain their support. • The EUTF has the lead responsibility for executing the activities defined in the Organizational Change Management Plan. • DAGS/ICSD team members have taken on the responsibility to inform their management regarding the BAS Project Status. • Decisions made by external stakeholders are introduced risk into the BAS Project.

Recommended Action

• Defer any additional configuration changes introduced by the Board of Trustees and external stakeholder decisions until after V3 Go-Live - *Complete*
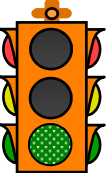
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Specific Findings -- Organizational and External Risk

Key Challenge	Findings/Observations
27. Training • The training program is set up early in the project. • A facility to "test run" functionality in the system prior to go-live is defined. • Procedural manuals are created to give a step-by-step guide to staff. • A process to verify that users have adequate training in the new system is defined. • A verification process is defined to ensure that users follow the expected process upon go-live. **Low**	• Vitech has the lead responsibility for training while the EUTF has a support responsibility as defined in the Contract. • Plans for Training and Knowledge Transfer activities are documented in the Project Plan and Training and Knowledge Transfer Plan. • The Training Materials and Detailed Deployment Plan deliverable was delivered and signed off. • Training and Knowledge Transfer is in progress. • The Project Team decided to combine UAT and Training since all end users are participating in both activities. • Vitech conducted security knowledge transfer to EUTF technical staff. • **EUTF staff continue to receive on-the-job training as required.** • **IT documents frequent issues and resolutions to aid in issue resolution. Member Services Branch and Accounting have started this process as well. The EUTF will require Vitech's assistance to post this documentation in the V3 Knowledge Base in Phase 3.**

Recommended Action
• **Post the issue resolution documentation and training materials to a common area on the network drive (in preparation for the V3 Knowledge Base in Phase 3) so that they can be accessed and maintained.** - *New*

Key Challenge	Findings/Observations
28. Due Diligence • Background checks on key suppliers are performed prior to contract signing. • Due-diligence activities are performed on key suppliers prior to contract signing. **Low**	• The EUTF performed a thorough background check on Vitech (e.g., reference checks, onsite client visit) prior to the Vitech Contract signing. • The EUTF conducted due diligence activities prior to the Vitech Contract signing. • The EUTF conducted a negotiations strategy conference call with a Gartner Analyst prior to the Oracle Database Contract signing which contributed to improved terms and conditions and a reduced negotiated cost. • Gartner supported the due diligence regarding the Supplemental Contract (e.g. validation of costs and number of hours required to support the recent scope changes).

Recommended Action
• None

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Specific Findings -- Organizational and External Risk

Key Challenge	Findings/Observations
29. Risk Management • A team is in place focused on external risks within the project. • A process in place to collect and examine information potentially relevant to the project. • Scenario planning activities to identify actions in the case of an unplanned event are defined. • An escalation mechanism to cope with increasing risk severity is defined. **Low**	• The original Feasibility Study Report identified risks and mitigation measures. The Project Team has reviewed and updated the risks early in the BAS Project. • A Risk Management Plan defines risks, probability, severity levels, and associated action plans in the case of an unplanned event. • The Risk Management Plan documents an escalation mechanism to cope with increasing risk severity. • Project Oversight Assessments regularly identify additional risks as the project progresses. • The Project Team updated the Risk Assessment to include the impact of the State's budget situation on potential changes to EUTF employee/retiree plans. • **The Project Team discussed the risk impact of the retirement of the EUTF executives and the Supplemental Contract workload.** • **The EUTF Board of Trustees may not have enough members to achieve a quorum for the January 2010 Meeting. Lack of executive oversight introduces additional risk to the BAS Project.**

Recommended Action

• Formally include a periodic review of existing risk status, priorities, mitigation levels in the Risk Management Plan. - *In Progress*

• **Add a new risk to the risk matrix regarding executive oversight for the BAS Project due to the retirement of the EUTF executives and the potential lack of a quorum on the Board of Trustees. - *New***

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